

EXALIA LIMITED

FINANCIAL STATEMENTS

30 JUNE 2008

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EXALIA LIMITED

Annual report and financial statements for the year ended 30 June 2008

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Directors

G Wicks
J M Robinson
R Nagevadia

Secretary and registered office

R Nagevadia, 3rd Floor, Prospero House, 241 Borough High Street, London, SE1 1GA

Company number

4349489

Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 3EU

Bankers

Bank of Scotland Corporate, Bishopsgate Exchange, Level 7, 155 Bishopsgate Exchange,
London, EC2M 3YB

Solicitors

Nabarro, Lacon House, 84 Theobald's Road, London, WC1X 8RW

EXALIA LIMITED

Report of the directors for the year ended 30 June 2008

The directors present their annual report and the audited financial statements for the year ended 30 June 2008.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2007: £nil).

Principal activities, trading review and future developments

Exalia Limited's principal activities are primarily the hosting of web sites and the provision of e-commerce and e-mail services.

On 1 May 2008, the trade and assets were transferred to Netbenefit (UK) Limited, a fellow subsidiary of Group NBT plc. As of this date, the company will be dormant.

The directors consider the results for the year to be satisfactory. There have been no events since the balance sheet date which materially affect the position of the company.

Directors and their interests

The directors of the company, during the period and at the year-end, are disclosed on page 1. No director held any interest in the share capital of the company or other subsidiaries of the ultimate parent at the period end. The interests of the directors in the share capital of the company's parent, Group NBT plc, are disclosed in the financial statements of that entity.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practise.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

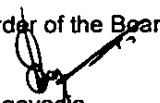
The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Company's Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting

By order of the Board


R Nagevadja
Company Secretary
27 April 2009

EXALIA LIMITED

Report of the independent auditors

To the shareholders of Exalia Limited

We have audited the financial statements of Exalia Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors, London

27 April 2009

EXALIA LIMITED**Profit and loss account for the year ended 30 June 2008**

		12 months to 30 June 2008 £'000	17 months to 30 June 2007 £'000
	Note		
TURNOVER	2	1,189	1,856
Cost of sales		(172)	(244)
GROSS PROFIT		1,017	1,612
Selling expenses		(4)	(34)
Other administrative expenses		(360)	(1,154)
OPERATING PROFIT	3	653	424
Interest payable	6	-	(4)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		653	420
Taxation on profit on ordinary activities	7	(222)	(142)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		431	278

All the company's operations were classified as discontinued.

All recognised gains and losses in the current period and prior year are included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

EXALIA LIMITED**Balance sheet as at 30 June 2008**

	Note	30 June 2008 £'000	31 January 2007 £'000
FIXED ASSETS			
Tangible Assets	8	-	411
CURRENT ASSETS			
Debtors	10	893	369
Cash at bank and in hand		<u>7</u>	<u>32</u>
		900	401
CREDITORS: amounts falling due within one year	11	<u>87</u>	<u>412</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>813</u>	<u>(11)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		813	400
Provisions	12	-	(18)
NET ASSETS		<u>813</u>	<u>382</u>
CAPITAL AND RESERVES			
Called up share capital			
- Allotted, called up and fully paid 100 ordinary shares of £1 each	13	-	-
Profit and loss account	14	<u>813</u>	<u>382</u>
SHAREHOLDER'S FUNDS		<u>813</u>	<u>382</u>

These financial statements were approved by the Board of Directors and authorised for issue on 27 April 2009.

Signed on behalf of the Board



G Wicks
Director

The notes on pages 6 to 11 form part of these financial statements.

EXALIA LIMITED

Notes forming part of the financial statements for the year ended 30 June 2008

1 Accounting policies

The financial statements are prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards.

Changes in accounting policies

The particular United Kingdom Accounting Policies adopted are described below and remain unchanged from the previous year apart from the recognition of deferred taxation.

Turnover

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of value added tax. Income for services provided which are invoiced in advance are deferred in the balance sheet and released to the profit and loss account in the periods in which the services are provided.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Computer equipment	-	33.3 % – 50% straight line
Fixtures, fittings and equipment	-	25% - 33.3 % straight line

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except the recognition of deferred tax is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of underlying timing differences. Deferred tax liabilities and assets are not discounted.

2 Turnover

All turnover during the year, and comparative period, can be attributed to the United Kingdom geographical markets.

EXALIA LIMITED

Notes forming part of the financial statements for the year ended 30 June 2008

3 Operating Profit

Operating profit is stated after charging:

	12 months to 30th June 2008 £'000	17 months to 30th June 2007 £'000
Depreciation of owned assets	260	236
Operating lease rentals	-	11
Auditors' remuneration: audit fee	-	8

4 Employees

	12 months to 30th June 2008 £'000	17 months to 30th June 2007 £'000
Staff costs incurred in the year were as follows:		
Wages and salaries	75	438
Social security costs	4	34
	<u>79</u>	<u>472</u>

The average number of employees during the year was as follows:

	12 months to 30th June 2008 No.	17 months to 30th June 2007 No.
Operational	1	6
	<u>1</u>	<u>6</u>

5 Directors' emoluments

	12 months to 30th June 2008 £'000	17 months to 30th June 2007 £'000
Directors' emoluments	-	61
	<u>-</u>	<u>61</u>
Emoluments of highest paid director:		
Emoluments	-	20
	<u>-</u>	<u>20</u>

No directors received any emoluments in respect of services to the company. Directors' emoluments paid by Group NBT plc, the ultimate holding company, are disclosed in its financial statements.

EXALIA LIMITED**Notes forming part of the financial statements for the year ended 30 June 2008****6 Interest payable**

	12 months to 30th June 2008 £'000	17 months to 30th June 2007 £'000
Other interest	-	4
	-	4

7 Tax charge on profit on ordinary activities

	12 months to 30th June 2008 £'000	17 months to 30th June 2007 £'000
(a) Analysis of tax charge		
Current tax		
UK Corporation tax	239	134
Total current tax charge (note 7b)	239	134
Deferred tax		
Origination and reversal of timing differences	(17)	8
Total deferred tax	(17)	8
Tax charge on profit on ordinary activities	222	142
(b) Tax charge reconciliation		
Profit on ordinary activities before tax	652	420
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.5% (2007 - 30%)	192	126
Effects of:		
Provisions not deductible for tax purposes	(5)	7
Depreciation in excess of capital allowances	52	1
Current tax charge (note 7a)	239	134

EXALIA LIMITED**Notes forming part of the financial statements for the year ended 30 June 2008****8 Tangible assets**

	Computer equipment £'000	Fixtures fittings and equipment £'000	Total £'000
Cost			
At 1 July 2007	628	111	739
Additions	36	-	36
Disposals	(664)	(111)	(775)
At 30 June 2008	-	-	-
Depreciation			
At 1 July 2007	262	66	328
Disposals	(494)	(94)	(588)
Provided during period	232	28	260
At 30 June 2008	-	-	-
Net book value			
At 30 June 2008	-	-	-
At 30 June 2007	366	45	411

9 Investments**Shares in subsidiary undertaking**

The company owns 100% of the issued share capital of Active 24 Managed Services Limited, a company incorporated in the UK which has remained dormant during the period.

10 Debtors

	12 months to 30th June £'000	17 months to 30th June £'000
Trade debtors	-	173
Amounts owed by ultimate parent	1	180
Amounts owed by group undertakings	892	-
Prepayments and accrued income	-	16
	893	369

All amounts shown for debtors fall due for payment within one year.

EXALIA LIMITED**Notes forming part of the financial statements for the year ended 30 June 2008****11 Creditors: amounts falling due within one year**

	12 months to 30th June £'000	17 months to 30th June £'000
Trade creditors	-	56
Amounts owed to group undertakings	28	49
Corporation tax	59	95
Other taxation and social security	-	38
Other creditors	-	24
Accruals and deferred income	-	150
	<u>87</u>	<u>412</u>

12 Provisions**Deferred taxation**

	12 months to 30th June £'000	17 months to 30th June £'000
At 1 July 2007	18	10
Prior year adjustment	(6)	-
Origination and reversal of timing differences	<u>(12)</u>	<u>8</u>
At 30 June 2008	-	18
Accelerated capital allowances	-	18
At 30 June 2008	-	<u>18</u>

13 Called up share capital

	30th June 2008 No.	30th June 2007 No.	30th June 2008 £	30th June 2007 £
Authorised:				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Called up allotted and fully paid up				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

EXALIA LIMITED

Notes forming part of the financial statements for the year ended 30 June 2008

14 Profit and loss account

	£'000
At 1 July 2007	382
Profit for the financial period	431
At 30 June 2008	<u>813</u>

15 Reconciliation of movements in shareholders' funds

	30th June 2008 £'000	30th June 2007 £'000
Profit for the financial period	431	278
Opening shareholders' funds	<u>382</u>	<u>104</u>
Closing shareholders' funds	<u>813</u>	<u>382</u>

16 Related party transactions

The Company has taken advantage of paragraph 3(c) of Financial Reporting Standard 8 – 'Related Party Disclosures', in not disclosing transactions with Group undertakings as more than 90 percent of its shares are controlled within the Group which is headed by Group NBT plc as described in note 18 below.

There were no other related party transactions.

17 Cash flow statement

The Company has used the exemption under Financial Reporting Standard 1 - 'Cash Flow Statements', not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

18 Ultimate controlling party

At June 2008, the company's immediate and ultimate parent company was Group NBT plc.

Group NBT plc produces consolidated group financial statements which incorporate the results of Exalia Limited. Copies of its financial statements are available from Companies House.